



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

February 10, 2021

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051

Scrip Code : JBCHEPHARM

Dear Sir,

Subject: Investor Presentation

Enclosed please find the presentation the Company proposes to make to investors/analysts on financial performance for the quarter and nine months ended on December 31, 2020.

Thanking you,

Yours faithfully,
For J.B. Chemicals & Pharmaceuticals Limited

M. C. Mehta
Company Secretary and Vice President - Compliance

📍 **Registered Office:**
Neelam Centre, B Wing, 4th Floor
Hind Cycle Road, Worli
Mumbai - 400 030

📍 **Corporate Office:**
Cnergy IT Park
Unit A2, 3rd Floor, Unit A, 8th Floor
Appa Saheb Marathe Marg, Prabhadevi
Mumbai - 400 025

☎ +91 22 2439 5200 / 2439 5500
📠 +91 22 2431 5331 / 2431 5334
@ info@jbcpl.com
🌐 www.jbcpl.com
CIN: L24390MH1976PLC019380

Q3 & 9M FY21 – FINANCIAL RESULTS

JB CHEMICALS AND PHARMACEUTICALS LIMITED



Disclaimer



No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management JB Chemicals & Pharmaceuticals Limited ("Company" or "JBCPL" or "JB Chemicals & Pharmaceuticals Limited"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.





Company Overview



**Q3 & 9M FY21
Financial Performance**



**Historical Financial
Performance**



Company Overview

Corporate Snapshot



40+

Years of operations with consistent track record across multiple businesses

5

Brands among top 300 brands, contributing over 80% of domestic formulations revenues

29%

Growth in chronic therapies* in the domestic formulations business

2,100+

India field force expanded, significantly over FY17-FY20 with therapy-focused segmentation

40+

Regulated/semi-regulated markets of presence through direct operations and distributors

Top 5

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

8

Multi-location plants producing formulations and API's with key global approvals/compliances

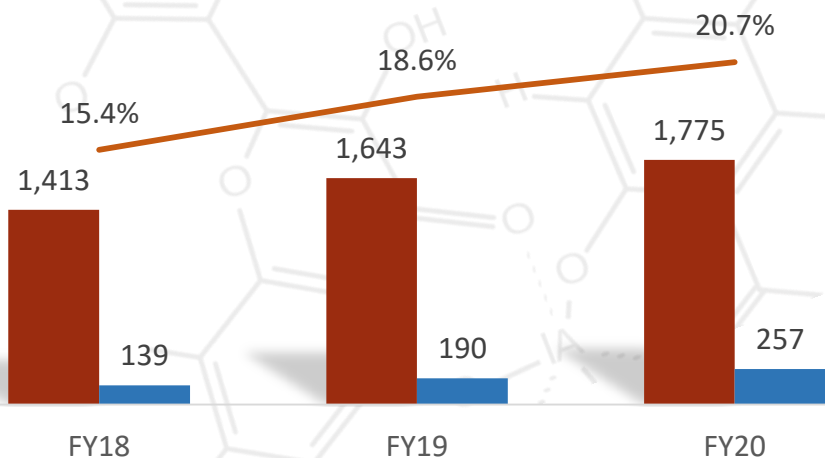
****28%**

ROCE with strong cash position and consistent cash flow generation

* CAGR over FY16-FY20

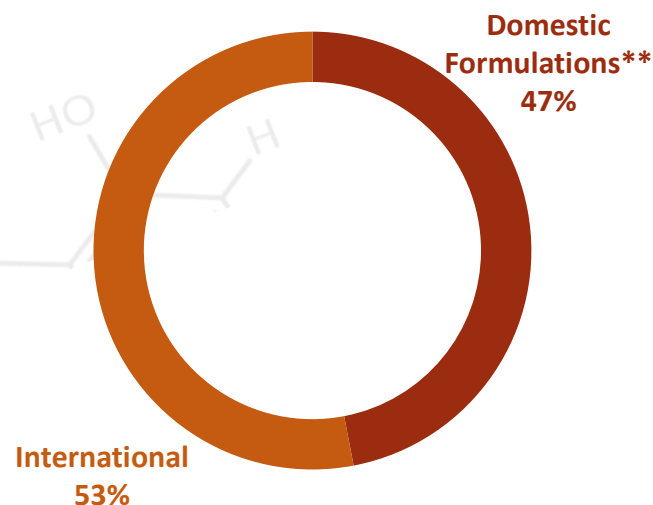
** ROCE for FY20; $ROCE = EBIT / (Net\ Worth + Debt - Mutual\ Fund\ Investments)$

Revenue (INR cr) PAT (INR cr) EBITDA Margin (%)



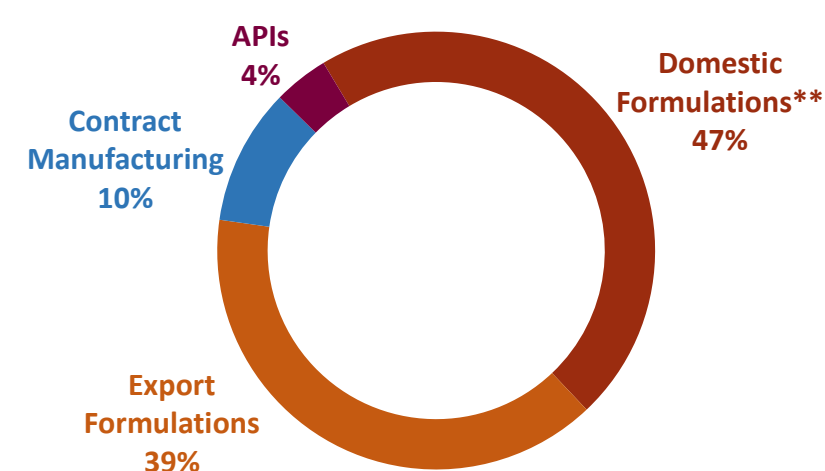
Financial Year ends on 31st March

Revenue Contribution*



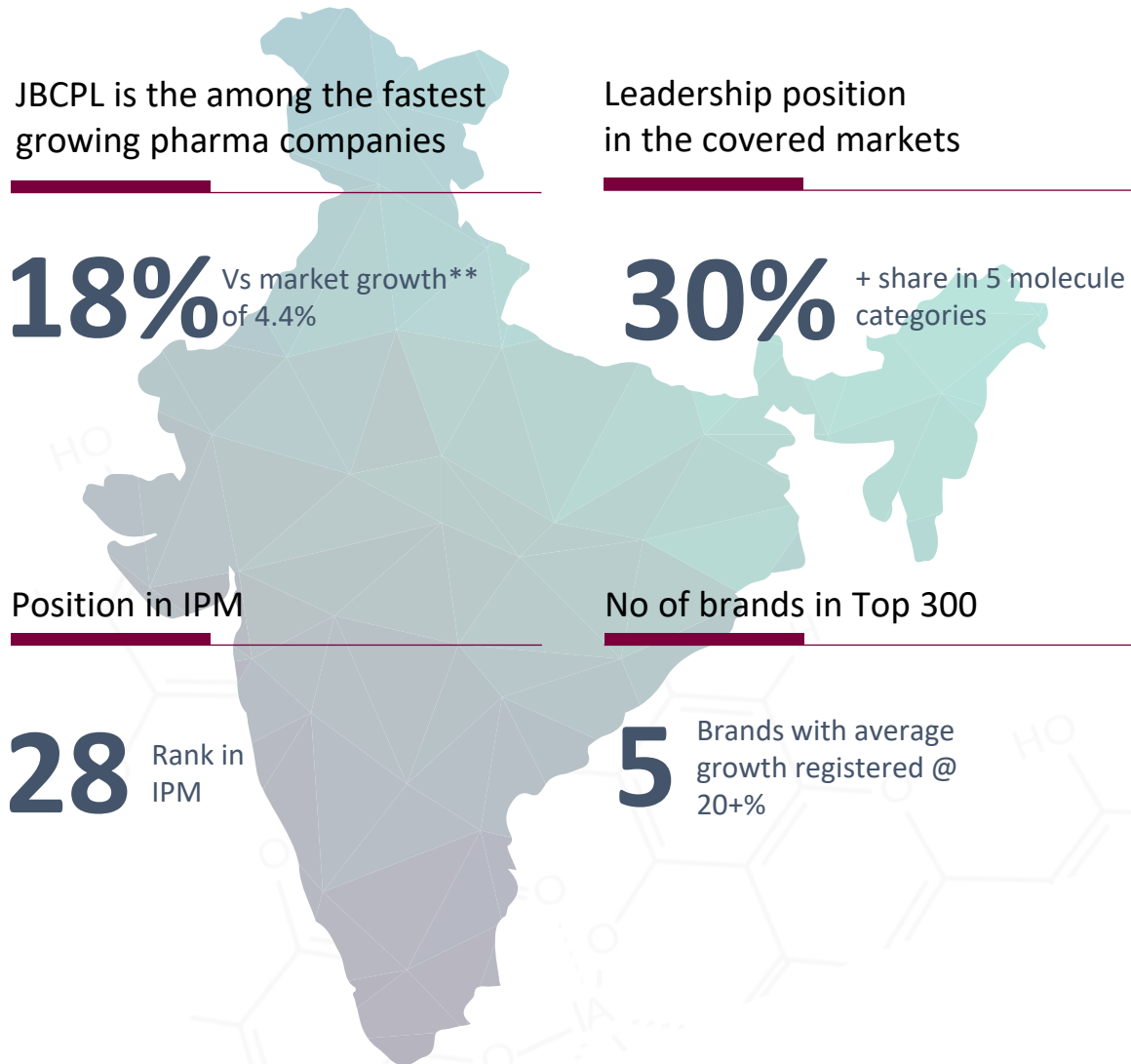
* Based on FY20 Revenues: Rs. 1,775 crore

Business-wise Revenues*



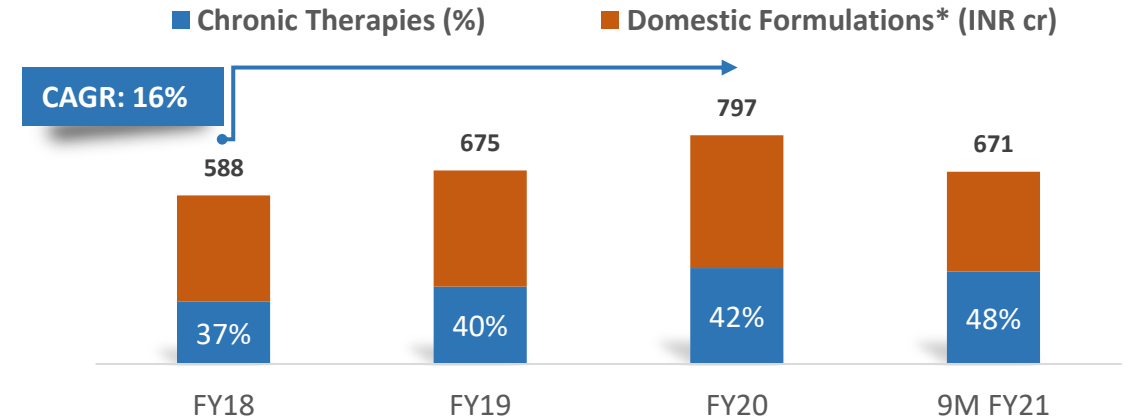
** Includes Contrast Media

Domestic Formulations: Outperformance Driven by Strong Brands



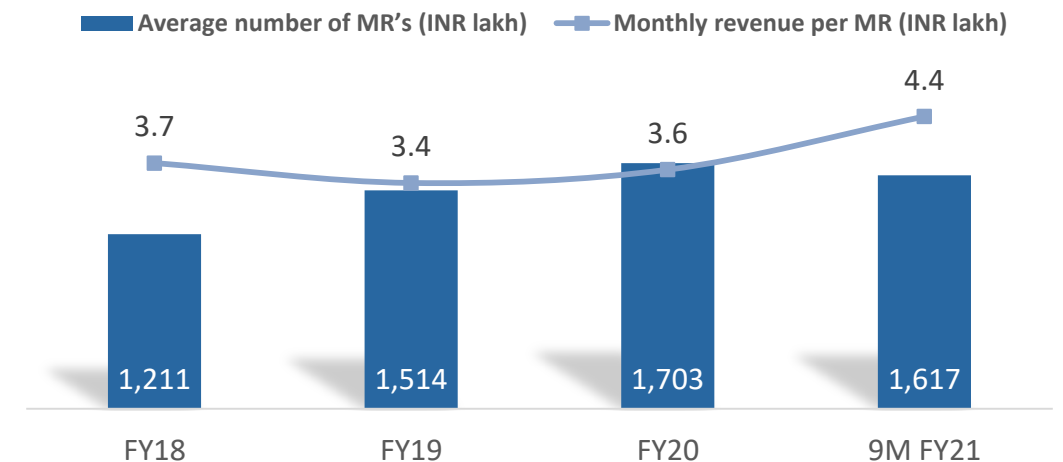
**MAT Growth Dec 20 – IQVIA published

Strong performance in chronic therapies



*Includes Contrast Media

Potential to further leverage investments made in distribution



International Business: Clearly Defined Businesses Across Geographies

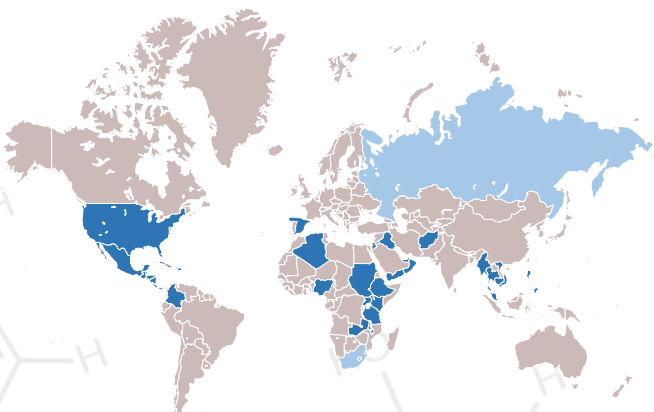


International Formulations

Direct presence in Russia and South Africa

Distributor relationships in the US, Asia, Africa and LatAm

Direct front-end presence Distributor-led model



CMO

Leading global position in \$4.6 bn lozenges market opportunity

Marquee global clients in pharma and consumer sectors

APIs

Leading capabilities with deep customer relationships

Substantial available capacities to drive growth

Manufacturing Capabilities

Tablets, Capsules, Sachets, Liquids, Topicals, Vials, Lozenges, IV Infusions, Bulk Drugs,

Compliance Approvals

USFDA, UK, EU, Australia, Canada, Russia, Ukraine, South Africa, Brazil, MOH Japan, MOH Korea, Semi-regulated Markets

International Business Revenues*
Rs. 944 crore

*FY20

Formulations
73.7%

CMO
18.6%

APIs
7.7%

Nikhil Chopra, CEO, JBCPL on Business Outlook:



"Overall, the business continued to show encouraging momentum and registered a very healthy growth rate in Q3. India business continues to witness a positive trend in the chronic segment and we are among the fastest growing companies in IPM."

Going forward, while our immediate focus will be to drive productivity enhancement opportunities within the India business along with a strong focus on cost optimization, over the medium to long term, we plan to scale up investments in R&D and other organizational enhancement initiatives to build a more forward looking progressive portfolio and drive value for all our stakeholders."

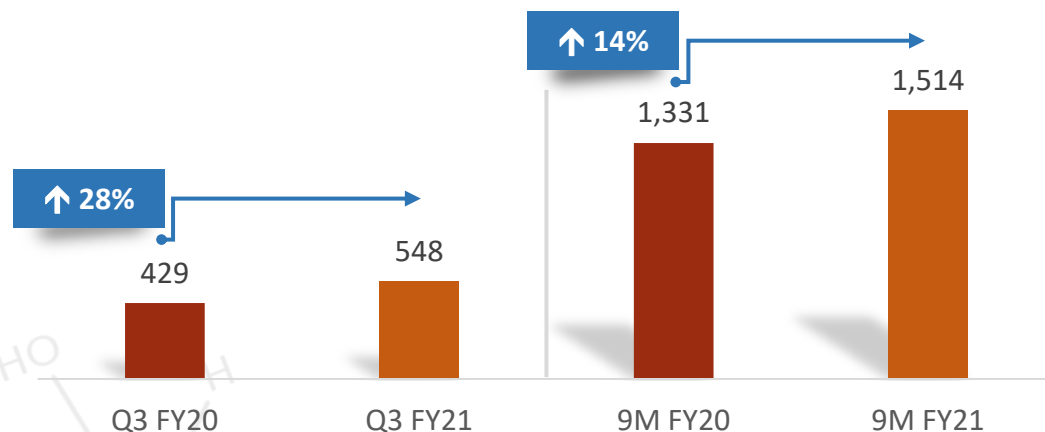


Q3 & 9M FY21 Financial Performance

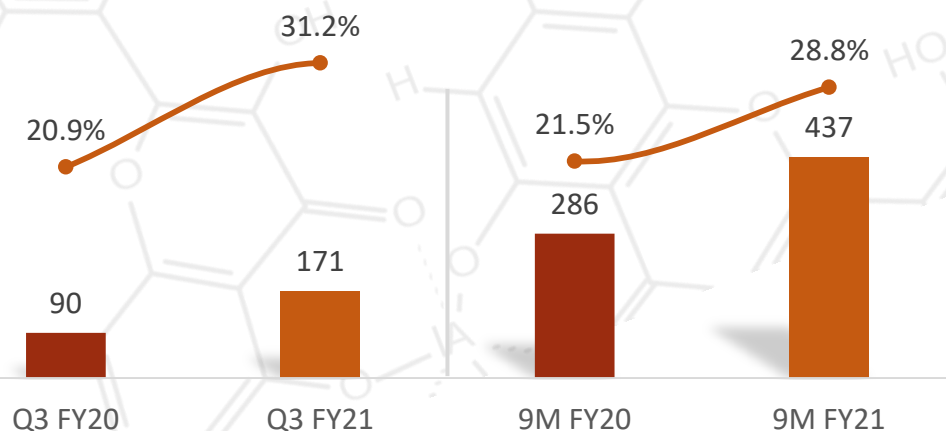
Financial Overview



Revenues (INR cr)

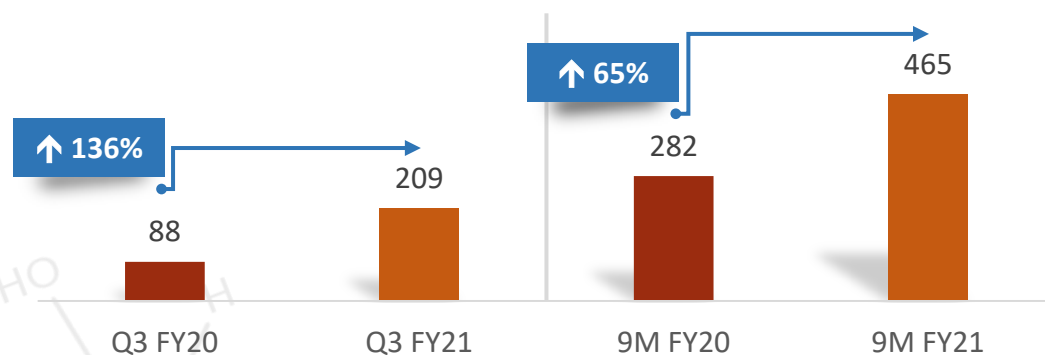


EBITDA (INR cr) Margin (%)

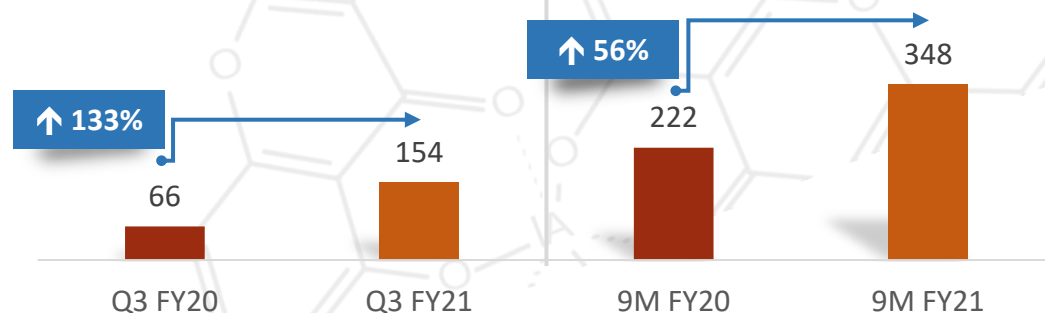


- Operational and revenue momentum continues – with strong contributions from Domestic Formulations and International Business
 - Domestic Formulations maintains secular outperformance compared to IPM growth rates, driven by strength in chronic segments and expanding prescriber coverage
 - QoQ improvement in acute segments, in line with internal expectations
 - While Q3 FY21 has been incrementally strong, reported topline in the quarter also includes revenues deferred from Q2 FY21
 - There are continuing logistics challenges, impacting the supply chain in the International business – however, production and dispatch processes are being re-aligned to mitigate the situation, bringing any spillover down to more normalized levels
-
- Margin performance continues to be encouraging, driven by growth and operating leverage
 - Endeavors to drive cost excellence will continue in the future
 - Q3 FY21 margins are elevated and include the contribution from revenues deferred from Q2 FY21 into Q3 FY21
 - 9M FY21 profitability is more representative of margin performance
 - A&P spends have been lower than normal levels during the Covid period, some operating costs are expected to return and steadily regularize over the next few quarters

Profit Before Tax (INR cr)



Profit After Tax (INR cr)

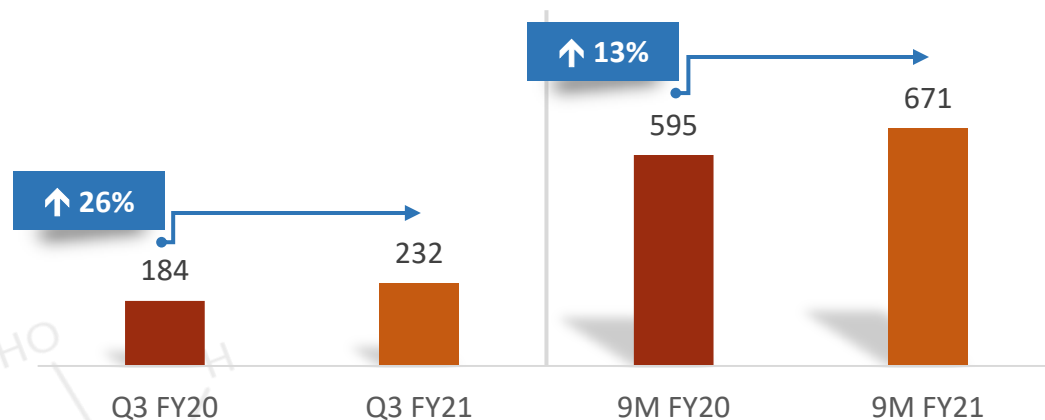


- Profit Before Tax for Q3 FY21 includes non-recurring income of ~Rs. 34 crore related to sale of product registration, marketing authorization along with trademark. The transacted asset has not been contributing to the company's revenues.
- Excluding the benefit of these non-recurring revenues, PBT performance has still been very encouraging for Q3/9M FY21 driven by operating leverage derived from revenue growth
- Effective Tax Rate to remain at the current level of ~25%
- Earnings Per Share at Rs. 19.94 during Q3 FY21 and at Rs. 44.95 per share for 9M FY21
- Interim dividend of Rs. 8.50 per share declared by the company's board
 - Interim dividend results in payout of Rs. 65.7 crore

Revenue Analysis

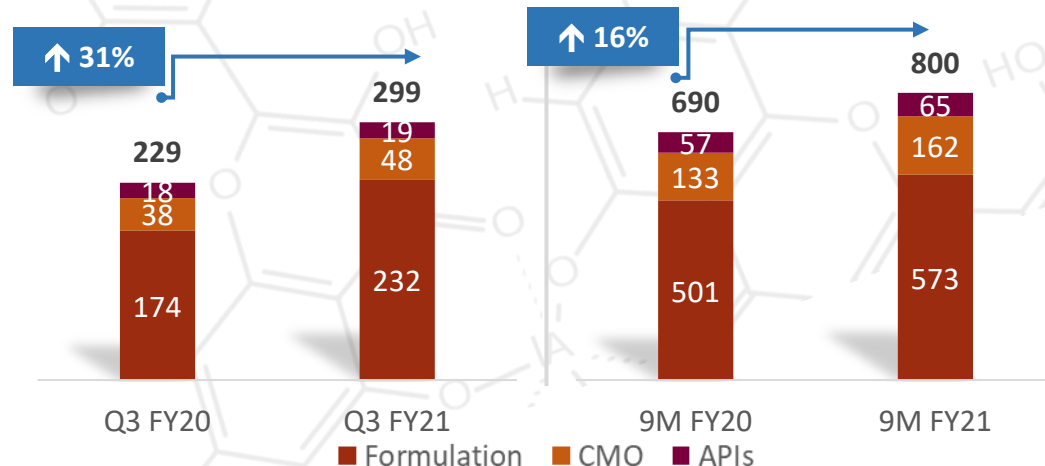


Domestic Formulations* (INR cr)



- India formulations business continues to witness healthy trend in the chronic segment – JBCPL remains one of the fastest growing companies as per IPM:
 - Growth driven by key chronic segments of presence – cardiovascular/anti-hypertensive
 - Consistently outpaced market (18% vs 4.4% market for MAT Dec 20) resulting in rank improvement from 32 to 28 over the same period
- With improved doctor/prescriber coverage trends and anticipated revival in acute, expect the healthy domestic trend to continue

International Business** (INR cr)



- Exports order book remains strong
- South Africa and USA have been major growth contributors
- Order flows from Contract Manufacturing clients are gradually improving
- API demand has stabilized vs H1, segment continues to deliver healthy growth performance
- With Covid situation normalizing, expect demand revival going forward in Latin America, Russia/CIS, Africa and South East Asia

Q3 & 9M FY21 – Financial Performance



Particulars (Rs. Crore)	Q3 FY21	Q3FY20	YoY Growth	9M FY21	9M FY20	YoY Growth	FY20
Revenue from Operations	548.2	428.6	27.9%	1,514.1	1,331.2	13.7%	1,774.7
Cost of Goods Sold	186.9	150.3	24.3%	507.0	483.8	4.8%	630.8
Employee Benefit Expenses	84.7	82.3	2.9%	254.4	237.4	7.2%	322.9
Other Expenses	105.6	106.4	-0.7%	316.1	324.1	-2.5%	443.4
EBITDA	171.0	89.6	90.8%	436.5	285.8	52.7%	377.6
EBITDA Margin	31.2%	20.9%		28.8%	21.5%		21.3%
Depreciation	17.4	16.7	3.8%	52.1	48.9	6.5%	66.3
Finance Costs	1.1	0.9	27.9%	6.6	2.5	158.9%	3.0
Other Income	56.0*	16.4	241.6%	87.0	47.5	83.2%	50.7
Profit Before Exceptional Items and Tax	208.5	88.4	135.9%	464.9	281.9	64.9%	358.9
Exceptional Items	0.0	0.0		0.0	0.0		10.0
Profit Before Tax	208.5	88.4	135.9%	464.9	281.9	64.9%	348.9
Tax Expenses	54.2	21.9	147.1%	117.2	59.5	96.7%	76.5
Net Profit After Tax	154.3	66.4	132.2%	347.7	222.3	56.4%	272.4
Paid-up Equity Share Capital	15.5	16.0	-3.7%	15.5	16.0	-3.7%	15.5
Diluted EPS (Rs.)	19.94	8.26		44.95	27.66		34.20

* Profit Before Tax for Q3 FY21 includes non-recurring income of ~Rs. 34 crore related to sale of product registration, marketing authorization along with trademark. The transacted asset has not been contributing to the company's revenues.

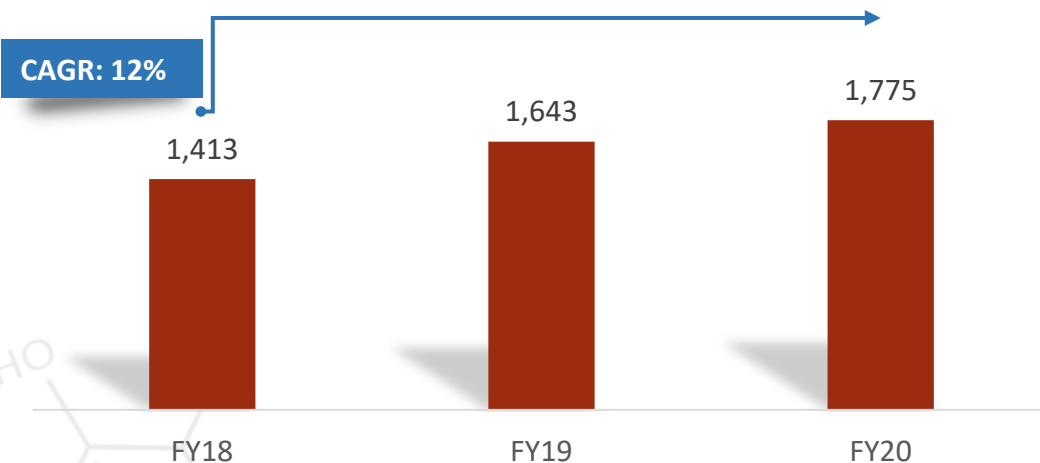


Historical Financial Performance

Strong revenue growth and margin expansion

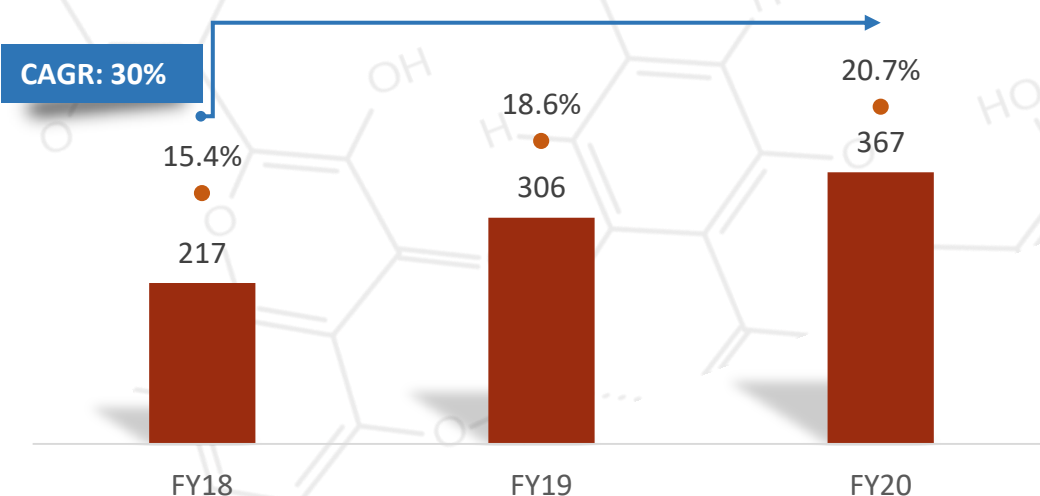


Revenues (INR cr)



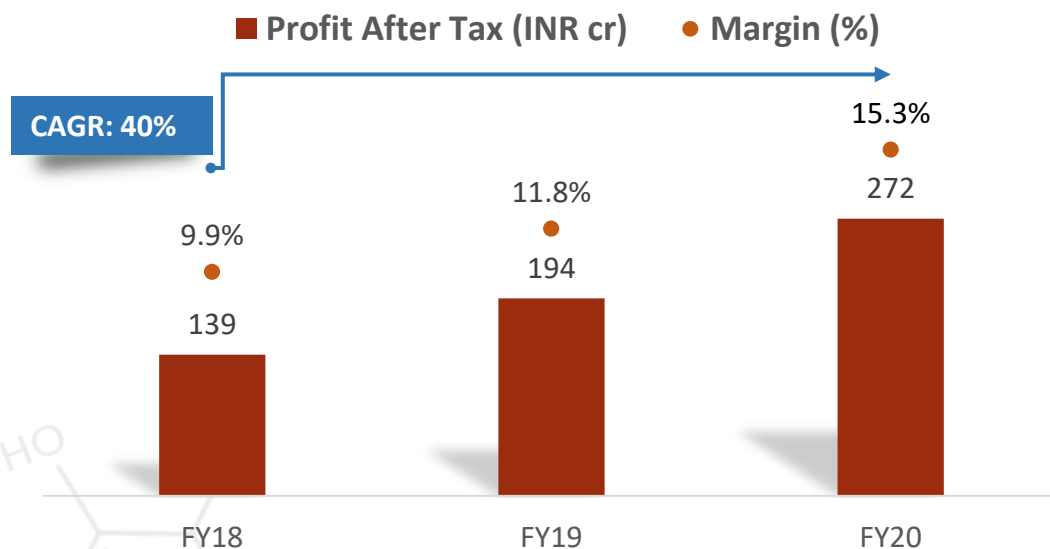
- Growth acceleration following realignment of go-to-market model and expansion of sales force in India with greater focus on chronic therapies
- Expansion of global footprint, leveraging existing products along with growing opportunities in CMO and API segments

■ EBITDA (INR cr) ● Margin (%)

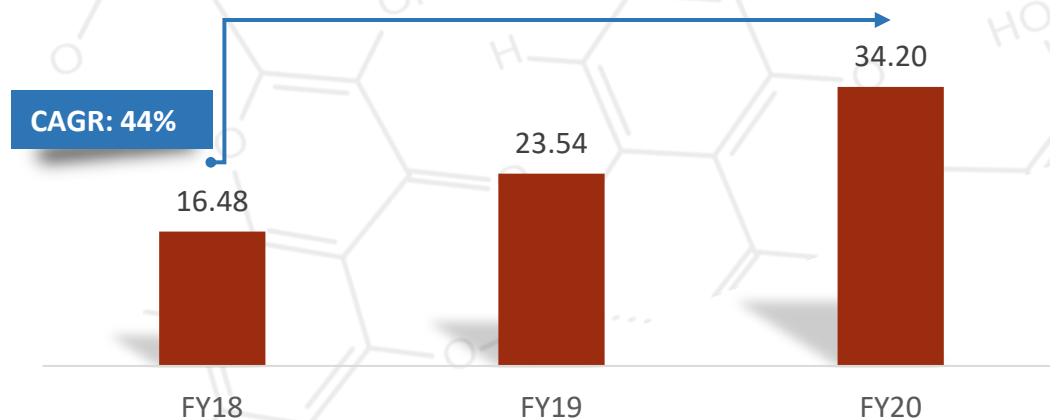


- Favorable product mix in both domestic and international businesses has expanded gross margins
- Operating leverage benefits from volume expansion based on a relatively steady fixed cost that has further scope to drive higher business volumes

Accelerated profit growth



Earnings Per Share (INR)



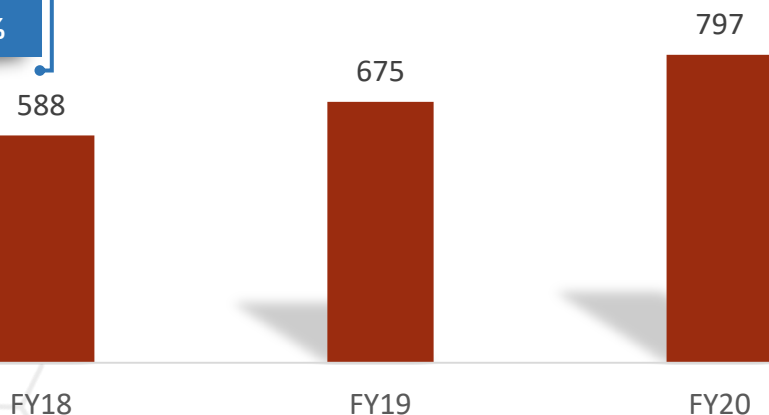
- Growth initiatives delivered on a largely stable capital base through higher utilization of capacities
- Debt-free, cash surplus status maintained despite increasing pay-outs to shareholders
- Shareholders rewarded through increasing payouts from growing profits

Broad-based growth contribution



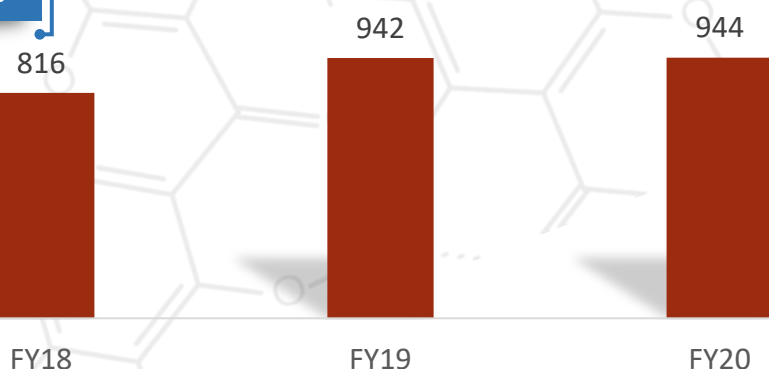
Domestic Formulations* (INR cr)

CAGR: 16%



International Business** (INR cr)

CAGR: 16%



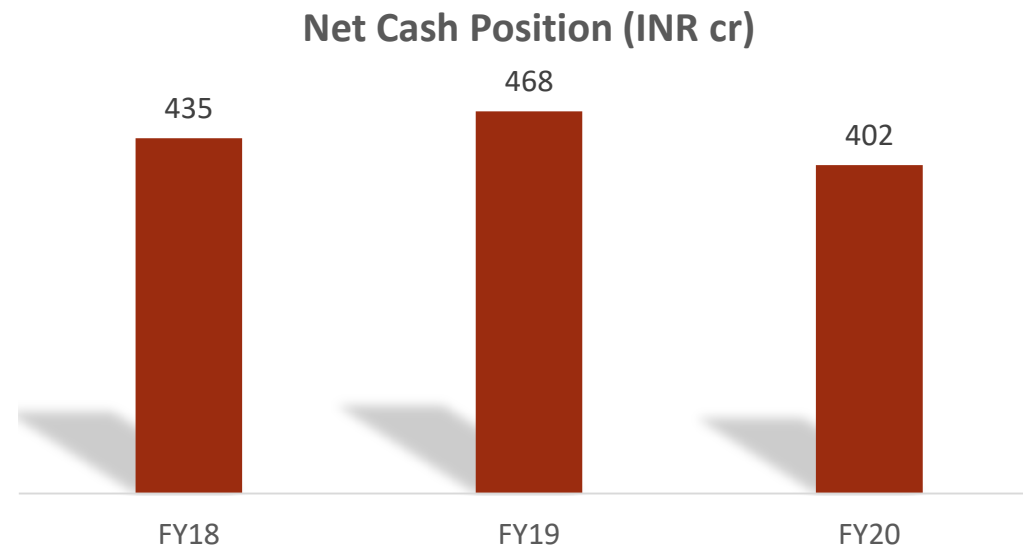
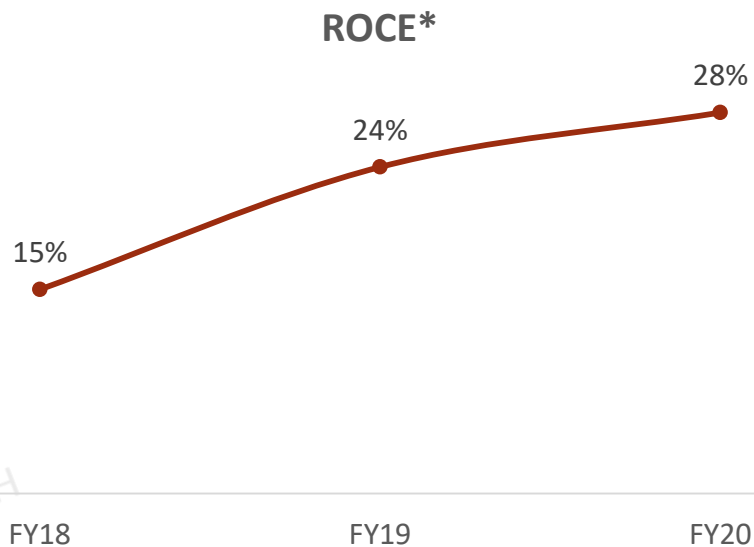
- Consistently outpaced the market by focusing on key brands and chronic therapies
- Sales Force expansion and divisionalization over the last three years has enabled therapy focus, resulting in:
 - Top 5 brands improving their market position, rankings with 20% + growth rate
- Created new markets beyond Tier 2 towns for legacy brands such as Rantac and Metrogyl
- Steady pipeline of brand extensions has supported Life Cycle Management

- Expanding presence and market visibility enables leverage of product pipeline across several countries – LATAM, Central America, Asia Pac
- Wide range of products with large number of marquee pharma and consumer clients, especially in the Lozenges segment
- Extensive product capabilities opening up contract manufacturing opportunities – extended development support, right from product conceptualization stage, regulatory approvals and commercialization
- Successful ANDA approvals track record, gradually building the pipeline of approvals

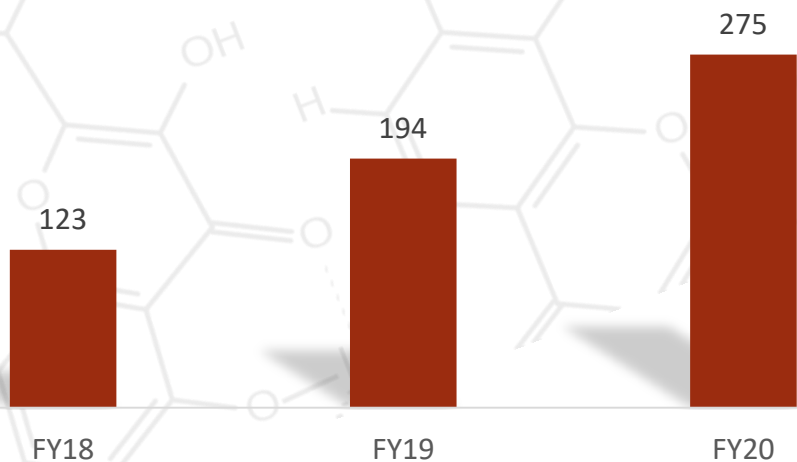
*includes Contrast Media

**consists of Export Formulations, Contract Manufacturing and APIs

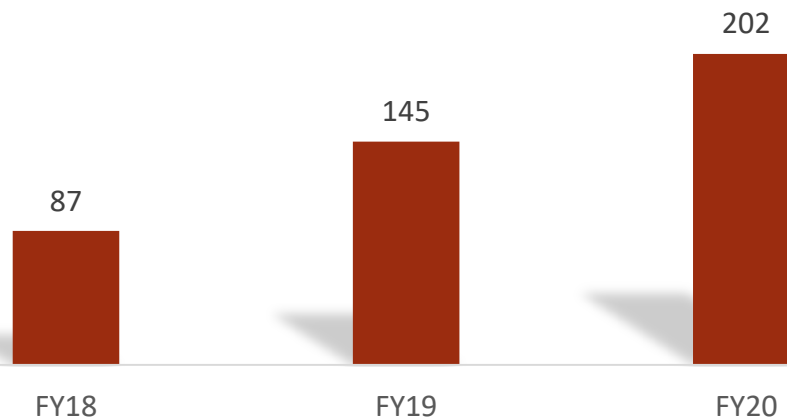
Substantial improvements in shareholder returns and consistent cash generation



Operating Cash Flow (INR cr)



Free Cash Flow (INR cr)



* ROCE = EBIT/(Net Worth + Debt + Mutual Fund Investments)

Save the Date



J. B. Chemicals & Pharmaceuticals Limited

**CORDIALLY INVITES YOU TO A VIRTUAL INVESTOR & ANALYST MEETING,
a platform for business and strategic discussions with the Company's management**

2nd March 2021 | 03:30 PM – 06:00 PM IST

Registration and log-in details for the event to follow

About J.B. Chemicals & Pharmaceuticals Limited



J.B. Chemicals and Pharmaceuticals Limited (JBCPL) (BSE: 506943 | NSE: JBCHEPHARM | ISIN: INE572A01028), established in 1976, is one of India's leading pharmaceutical companies. An integrated, publicly-listed organization with a focus on supplying affordable, quality products both in India and internationally, JBCPL is trusted by healthcare professionals globally. Today, JBCPL exports to over 40 countries across the world and earns more than half its revenue from its international business. JBCPL is widely committed to manufacturing a range of innovative specialty products that include various pharmaceutical dosage forms like tablets, injectable (vials, ampoules, form fill seal), creams & ointments, lozenges, herbal liquids and capsules. JBCPL has its headquarters in India's financial capital, Mumbai. With a domestic sales force of 2,000 people, several internationally approved state-of-the-art manufacturing units, a research and development center, and subsidiaries abroad, JBCPL has a consistent track record of enhancing value for its shareholders.

For more details on J.B. Chemicals and Pharmaceuticals Limited, please visit www.jbcpl.com.

For further information, please contact:

Vijay Bhatt, Chief Financial Officer

J B Chemicals and Pharmaceuticals Limited,

Tel: +91 22 2439 5200 / 2439 5500

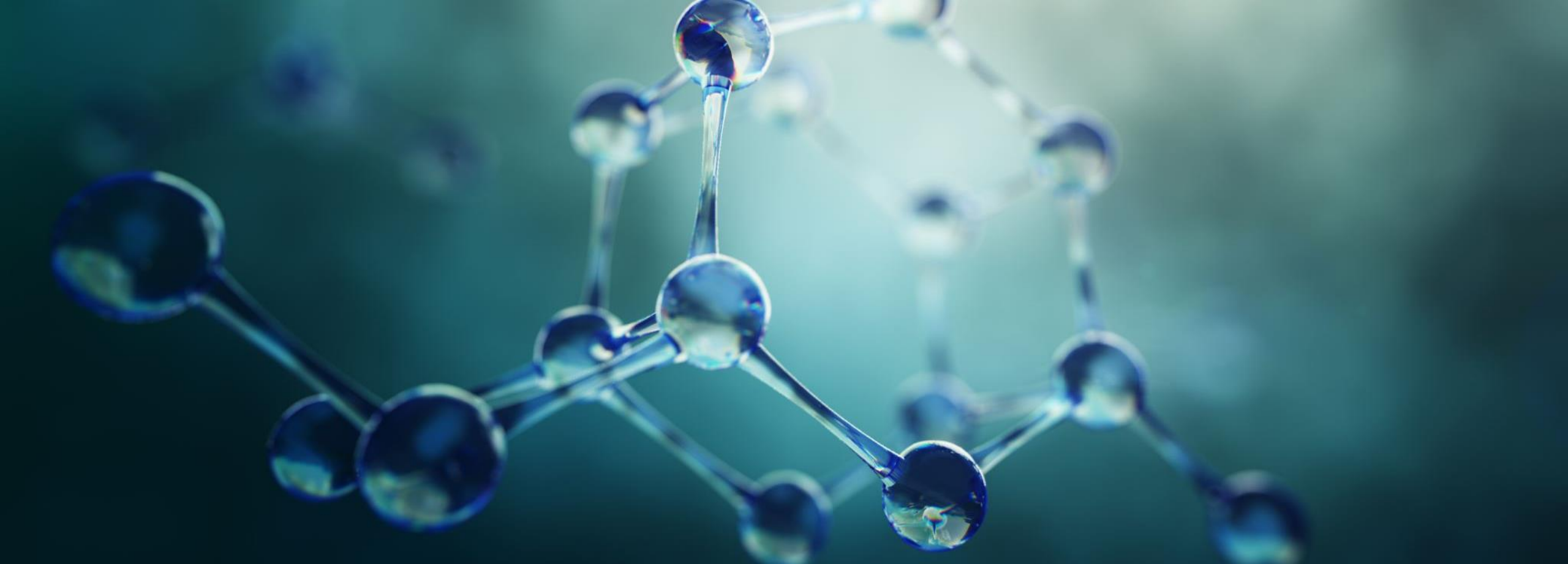
Email: Vijay.Bhatt@jbcpl.com

Shiv Muttoo / Shruti Joshi

CDR India

Tel: +91 983 355 7572/ +91 750 656 7349

Email: shiv@cdr-india.com / shruti@cdr-india.com



Thank You